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In the Supreme Court of the United States

OCTOBER TERM, 1960.

No. 272

SQUEEZ-A-PURSE CORPORATION,
Petitioner,

vs.

BENJAMIN STILLER, *et al.*,
Respondents.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT.

PETITION FOR A WRIT OF CERTIORARI
To the United States Court of Appeals for the Sixth Circuit.

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To the United States Court of Appeals for the Sixth Circuit.

Petitioner, a New York corporation, which sued in the Ohio District Court for a declaratory judgment that a reissued patent No. 24,166 on a pocket purse was invalid and hence not infringed, prays that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Sixth Circuit which affirmed the judgment of the District Court for the Northern District of Ohio, holding the reissued patent valid and infringed on the defendants'-respondents' counterclaim. The drawing of the patent is reprinted herein as Appendix A. The entire patent appears at pp. 99a-103a, of the Appendix to Brief of Appellant to the Court of Appeals.

OPINIONS BELOW.

The memorandum opinion of the District Court is reported at 175 F. Supp. 667, 122 USPQ 147, and is printed at pp. 159a-163a in the said Appendix to Brief of Appellant (Petitioner). The opinion of the Court of Appeals, by Weicks, C.J., is reported at ___ F. 2d ___, ___ USPQ ___, and stated merely that

> "Upon consideration of the appeal,
>
> "It is ordered that the judgment of the District Court be affirmed on the memorandum opinion of District Judge Jones and that this cause be remanded to that Court for further proceedings not inconsistent with this order."

The Circuit Court's orders on the appeal and on rehearing are annexed hereto as Appendix B.

JURISDICTION.

Jurisdiction of this Court is invoked under 28 U. S. C. 1254 (1); Part V, 19, 1 (b), clauses 1, 3 and 4, of the Revised Rules of the Supreme Court. The judgment of the Court of Appeals is dated May 2, 1960 and was entered on that date. A petition for rehearing was denied June 2, 1960.

QUESTIONS PRESENTED FOR REVIEW.

1. Have the standards for determining the presence or absence of invention in any given patent been so changed by the Patent Act of July 19, 1952, Title 35, U. S. C. section 103, as to validate a patent on a combination of old elements, no one of which elements performs any new different, unusual or unexpected purpose or function in the combination?

2. Has the Court of Appeals for the Sixth Circuit, in affirming on the memorandum opinion of the District Court, applied correct criteria for determining invention, as set forth in *The Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp.* (1950), 340 U. S. 147, 95 L. Ed. 162, 87 USPQ 303?

3. May clear disclosures of properly granted prior patents, offered as evidencing lack of invention in a patent in suit, be given little or no weight simply because the said prior patents were not proven *by the proponent** thereof to have been commercialized successfully?

STATUTE INVOLVED.

Patent Act of July 19, 1952, Title 35, U. S. C., Section 103.

"A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 12 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made. July 19, 1952, c. 950, sec. 1, 66 Stat. 797."

STATEMENT OF THE CASE.

BACKGROUND:

Plaintiff-petitioner was in commercial operation with the accused article when the original patent issued. Threatened by the patent owner, plaintiff-petitioner immediately offered to accept service of process in a suit to deter-

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* Emphasis applied throughout.

mine the validity of the patent. It did so on a second occasion, but the offers were not accepted. Petitioner also cited to the Ohio patent owner the numbers and dates of certain prior patents overlooked by the patent examiner which prior patents were considered to show lack of invention of the patented article. Thereupon, one day short of the two-year statutory bar, the patentee surrendered the original patent and reissued it with three claims broader than those originally granted. Even so, the patent owner did not sue the plaintiff-petitioner, and the New York entity went to Ohio to protect its customers from harassment, to secure a judgment declaratory of its rights to continue to make and sell the accused item. Irregularities and bad faith in the securement of the reissue need not concern us further; they are mentioned merely as cumulative reasons calling for review by this Court.

THE ARTICLE OF THE PATENT:

The patent relates to a pocket purse for such small articles as coins, keys and the like. As stated by the District Court (160a-161a), claim 3 of the patent provides a "quick opening and self-closing container for articles comprising" some seven elements, identified and described as follows, with the matter in parentheses being added to relate the elements to the patent drawing, Appendix A hereto:

"A. a unitary envelope of material having elastic properties similar to those of soft rubber

(reference numeral 1)

"B. said envelope defining a substantially fully closed interior volume

(Figs. 1, 2 and 3)

"C. having a depth relatively small in comparison to dimensions tranverse to its depth

(Figs. 3 and 5)

"D. and said envelope having a substantially transverse normally closed slit in one face

(reference numeral 3)

"E. extending from one periphery to an opposite periphery

(Figs. 1 and 5)

"F. said envelope having oppositely disposed through apertures

(reference numerals 4 and 5),

"G. and the respective ends of said slit communicating with respective apertures

(Figs. 1, 3 and 5)"

Molded in one piece of recently made available elastic material offered for such operation, by an old method (which the patentee unsuccessfully tried to patent), the article was merely a variation on the well-known similarly shaped and proportioned pocket purse of leather which the patentee admittedly saw and copied. The leather coin purse operated in the same manner as did the patented article, and it is still on the market.

THE DECISION BELOW:

The District Court found the first five of the listed elements to be old in the very art to which the patented gadget pertains; respondents do not challenge such finding.

The District Court, however, erroneously held that the respondents relied upon the sixth and seventh elements "F" and "G" as

"* * * prime novel and valid inventive features of the defendants' patent."

Respondents made no such claim, either before the Patent Office in seeking its patent or before the District Court on trial or in brief, or before the Court of Appeals on argu-

ment or in brief. That this holding by the District Court was clearly erroneous and insupportable is established by the fact that respondents' counsel admitted both elements "F" and "G" to be old and by the further fact that respondents' expert witness admitted—in open court—that the structures, purposes and functions of elements "F" and "G" were fully disclosed by at least two prior patents (Butler and Fulton). *The District Court ignored or overlooked these vital admissions by respondents.*

The District Court then (161a) conceded that the

> "* * * defendants' article is not of striking inventive quality; it is in fact one of modest proportions, but 'tis enough, 'twill serve' as an article made up of a unique and unitary combination of old elements with new and useful elements (F and G)."

In the face of the clear showings of the prior art and of the admissions by respondents, and in the face of the inability and failure of respondents to identify any new element or any new or unusual or different or unexpected result flowing from the combination of the old elements, it cannot satisfactorily be explained how the last quoted statement can stand unless the criteria for the determination of invention, as set forth in *Great Atlantic & Pacific* in 1950, are no longer the law of the land and have been superseded by relaxed or different standards under the Act of July 19, 1952 enunciated thereafter.

Apart from thus flying in the face of the record proofs, the District Court (and the Court of Appeals) then made an even more serious and prejudicial error, in rejecting prior art patents offered by petitioner to show lack of invention in the patent in suit because the devices of the prior patents had not been proven by the petitioner to have been commercially successful. The District Court's opinion, adopted in toto by the Court of Appeals, stated:

> "* * * the evidence does not disclose any commercial use or manufacture of the prior patents offered by the plaintiff against the defendants' product. They are so-called paper patents considered not as anticipation but as testing the novel character of the challenged patent as an advance over the earlier disclosures. Republic Steel v. Youngstown Sheet and Tube, 272 F. 2d 386, CCA 6. For that reason it is not deemed necessary here to analyze and point out wherein the prior teaching fails to anticipate the novel features which are the prime support for validity."

and at a later point in its decision, the District Court held

> "None of these patents* were produced or marketed, nor, as I think, do their features and construction give any assurance that they could be successfully made to operate or be marketed (Witness DeJong)."

The record contained no support whatsoever for this last quotation with respect to the witness DeJong, and the respondents abandoned the Court's opinion on this point. However, the Circuit Court—in affirming on the opinion of the District Court—obviously accepted this as a correct statement of fact and of law.

That the District Court, on petition for rehearing, admitted ineptness in the language of its decision and that the Circuit Court went along with it, are other circumstances calling for intervention by this Court.

SPECIFIC ERRONEOUS HOLDINGS:

In dismissing the complaint directed to all eight claims of the reissue (the first five carried over from the original grant and the three added by the reissue), and in awarding judgment of validity and infringement to the

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* The Court made no reference to the Butler patent (133a), a most pertinent disclosure of elements "F" and "G."

patent owners on the counterclaim, the District Court and the Circuit Court made a number of indefensible holdings, as follows:

1. That any of the elements of the combination was new, or that any element performed in the combination any new, different, unusual or unexpected purpose and function.
2. That a litigant offering prior patents to support the defense of lack of invention in the patent in suit has the burden of proving that the structures of the prior patents are operable *and* commercially successful.
3. That damaging admissions forced from the patent owner may be ignored.
4. That uncommercialized prior patents need be given no weight as bearing on the lack of invention of the patent in suit.

ARGUMENT.

REASONS FOR ALLOWANCE OF THE WRIT:

This case involves a simple mechanical patent on a gadget item, as appears from the drawing thereof, Appendix A hereto. Nevertheless, it presents for solution by this Court a number of issues of major importance in the further and proper administration of the laws relating to patents, particularly since this Court has issued no pronouncement on the effect of section 103 of the Act of 1952 on the standards of invention since the law became effective. Such issues require a clear-cut, unequivocal expression of opinion and direction by this Court so that the Bench, the Bar and the administrative officials of the Patent Office may be guided properly henceforth.

1. Has Section 103 changed the standards by which "invention" is to be determined?

The section, entitled "Conditions for patentability; non-obvious subject matter," reads:

> "A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 12 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made. July 19, 1952, c. 950, sec. 1, 66 Stat. 797."

The Courts of Appeals of the First, Third, Fourth, Fifth, Seventh and Ninth have consistently held that this section did no more than codify existing law, wherefore the doctrine of *Atlantic & Pacific* maintains. *Hawley Products Co. v. United States Trunk Co.*, 1 Cir., 259 F. 2d 69, 72, 118 USPQ 424, 426-427; *Stanley Works v. Rockwell Mfg. Co.*, 3 Cir., 203 F. 2d 846, 849, 97 USPQ 189, 191; cert. den. 346 U. S. 818, 99 USPQ 491; *Interstate Rubber Products Corp. v. Radiator Specialty Co.*, 4 Cir., 214 F. 2d 546, 548-549, 102 USPQ 373, 381; *Vincent v. Suni-Citrus Products Co.*, 5 Cir., 215 F. 2d 305, 315-316, 102 USPQ 373, 381, cert. den. 348 U. S. 952, 104 USPQ 409; *Helms Products, Inc. v. Lake Shore Mfg. Co., Inc.*, 7 Cir., 227 F. 2d 677, 682-683, 107 USPQ 313, 316-317; *Pacific Contact Laboratories, Inc. v. Solex Laboratories, Inc.*, 9 Cir., 209 F. 2d 529, 532-533, 100 USPQ 12, 14, cert. den. 348 U. S. 816, 103 USPQ 424.

The Second Circuit, in *Lyon v. Bausch & Lomb Optical Co.*, 224 F. 2d 530, 535, 106 USPQ 1, 5, cert. den. 305 U. S.

911, 107 USPQ 362, held that Section 103 set forth a relaxed standard of invention and constituted all but an outright reversal of the doctrine of *Cuno Engineering Corp. v. Automatic Devices Corp.*, 314 U. S. 84, 51 USPQ 272. The Second Circuit has followed this line since and has repeated its finding of a relaxed standard of invention in Section 103 in subsequent decisions.

Prior to its decision here, the Court of Appeals for the Sixth Circuit had adhered to the proposition that *Atlantic & Pacific* was the law to be followed in considering patent claims to combinations of old elements wherein no new, different or unusual or unexpected result flowed from the combination, *Bobertz v. General Motors Corp.*, 228 F. 2d 94, 99, 107 USPQ 338, 341, cert. den. 352 U. S. 824, 111 USPQ 466. However, its decision affirming the memorandum opinion of the District Court in this case is a departure from *Bobertz*, and leaves no doubt that the Sixth Circuit is currently applying a standard of invention relaxed considerably from that expressed in *Atlantic & Pacific*.

It is clear, therefore, that a conflict exists between the Sixth and Second Circuits on the one hand and the remaining Circuits whose decisions on Section 103 we have been able to note.

2. **Have the courts below applied the proper criteria in finding the patent in suit to disclose patentable invention?**

If *Atlantic & Pacific* remains, unaffected by Section 103, the aggregation of old elements set forth in the patent in suit cannot sustain the finding of inventiveness; thus the Courts below committed error in finding invention to be present in the Stiller reissued patent.

The District Court found elements A, B, C, D and E, the first five of the seven elements of claim 3, to be old.

Respondents admit that elements F and G, the sixth and seventh elements in the claim, similarly were old. A cursory inspection of the disclosures of the prior patents, pp. 117a-148a, Appendix to Brief of Appellant, will confirm the age of every element in the patent claims. There is in the combination of claim 3 no single element which is new.

The statement by the District Court, that defendants' article was "made up of a unique and unitary combination of old elements with new and useful elements (F and G)" is admitted by respondents to be based on a non-existent premise, i.e., that said elements F and G were new. The statement is factually incorrect, and the inaccuracy undoubtedly motivated the District Court's admission of ineptness in the language of the decision (p. 25b of Appendix to Brief of Appellee). Uniqueness implies difference or novelty; with no new or different element, there could be nothing unique about the combination of claim 3, and the prior art admittedly taught unitary combinations in coin purses, either structurally or operationally.

If there be any commercial success which is unrelated to any novel element in the claim, such factor is not enough to sustain the weight of a monopoly against the public interest. Since respondent's sales weighed so heavily in the opinions of the courts below, and since the improper reliance on the presence of new elements was so heavily relied upon, it follows that incorrect criteria were used by the courts below in holding the aggregation of elements A to F to be inventive. Of course, if *Atlantic & Pacific* is no longer to be followed, a different situation is presented, but even under *Hotchkiss v. Greenwood*, 52 U. S., 11 How. 248, the patent in suit would not be valid; see 52 U. S., 11 How. 267. Therefore, this Court is called upon to correct a decision by the courts below in conflict with applicable decisions of this Court.

3. May paper patents be considered only to show lack of novelty or may they be considered also to show lack of invention?

Plaintiff-petitioner offered six prior patents (117a-148a) to establish lack of invention in the reissued patent in suit, in that the said reissue disclosed no more than that the patentee put together by an old method and old material—a number of elements from the prior art, thereby to obtain only the simple sum of the properties of the old elements considered individually. It was not plaintiff-petitioner's position that any one prior patent anticipated the reissue as considered by the Trial Court, but merely that what the patentee had done lacked invention. Defendant-respondents' counsel, aware of his inability to overcome the damaging effects of the prior patent disclosures, attacked the prior art by way of avoidance so that the art would not be considered. Counsel said (39a):

> "My hope is to show they are paper patents. There is no evidence of use that this plaintiff can give."

Thereupon, the courts below—in view of plaintiff-petitioner's failure to prove affirmatively that the prior patents had been successfully commercialized, although the leather pocket purse was admittedly still being made and sold—gave no weight to the prior patents, citing *Republic Iron & Steel Co. v. Youngstown Sheet & Tube Co.* (6 Cir. 1921) 272 Fed. Rep. 386. They did so also because of unsupported conclusions that the prior art was inoperable. This too was contrary to authority since patents when duly issued are prima facie operable and the burden was on the defendant-respondents to prove inoperability of the prior art, a burden which defendant-respondents did not even attempt to discharge.

The District Court had posed three questions (160a):

"There were three questions which the court, at the close of trial felt were controlling to a decision on the issues in this case:

* * * * *

Third, the effectiveness of earlier art as *anticipation* where there was no commercial use or manufacture?"

It answered the third question by saying:

"As to the latter, the evidence does not disclose any commercial use or manufacture of the prior patents offered by the plaintiff against the defendants' product. They are so-called paper patents considered not as anticipation but as testing the novel character of the challenged patent as an advance over earlier disclosures. Republic Steel v. Youngstown Sheet and Tube, 272 F. 386, CCA 6."

In *Republic*, at 272 Fed. Rep. 390, the Court first said that:

"* * * mere failure (of the prior disclosures)* to get commercial recognition, or indeed, failure to deserve that recognition until somewhat improved, is not inconsistent with full validity as a patent or full effect as an anticipation."

And almost immediately thereafter said:

"* * * that, where the question is not one of full anticipation, but is whether the advance shown by the later over the earlier device is of inventive character, the failure of the earlier to get recognition in the trade may be persuasive evidence that an apparently slight advance was more important than it seems."

If this language has any meaning, it is that uncommercialized prior patent disclosures may be considered as possibly anticipatory of a patent in suit but that such disclosures

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* Material in parentheses added.

were not to be considered to show lack of invention in the later-issued patent. It was so construed by the same court in *Campbell v. Mueller* (1947), 159 F. 2d 803, 72 USPQ 295.

In *Campbell*, the Court said, at 159 F. 2d 808, 72 USPQ 300, that:

> "* * * lack of commercial recognition of prior art devices is not inconsistent with their full effect as anticipation, * * * Republic Iron & Steel Co. v. Youngstown S. & T. Co., 6 Cir., 272 F. 386."

and then went on to say that the second quotation above from *Republic* qualified this, and in a situation where the prior art lacked the important concept and structural elements of the patent in suit, ruled that:

> "In a case of this kind commercial recognition is particularly important and the doctrine of Republic Iron & Steel Co. v. Youngstown S. & T. Co., supra, that a slight advance is more important than it seems, is peculiarly applicable."

Since 1947, at least two District Courts (from the Seventh and Fourth Circuits) have cited *Campbell* as authority for the proposition that "paper" patents may not be considered on the question of lack of invention. In *Holstensson v. Webcor*, (D. C., N. D. Ill. 1957), 150 F. Supp. 441, 446-447, 112 USPQ 463, 467, and in *Bowser, Inc. v. Richmond Engineering Co.* (D. C., E. D. Va. 1958), 166 F. Supp. 69, 75-76, 118 USPQ 278, 283, the following statement appears:

> "Prior paper patents have little, if any, weight on the question of patentable invention, as distinguished from anticipation. Campbell v. Mueller, 159 F. 2d 803, 809 * * *."

As late as 1956, the Court of Appeals for the Sixth Circuit made a verbal distinction between invalidity of a

patent because of anticipation and because of lack of invention. *Coat Loaders & Stackers, Inc. v. Henderson*, 233 F. 2d 915, 919-920, 109 USPQ 332, 336. Mr. Justice Stewart, then on the Circuit Court bench, said:

> "That the Teagarden patent was essentially a paper patent, meeting with no commercial success and having no actual influence upon the practical manufacture of tire dismounting apparatus, is of course irrelevant to the question of whether its disclosure constituted an anticipation. The 'paper' status of the Teagarden patent would have bearing only in the determination of that patent's validity or scope. Western States Mach. Co. v. S. S. Hepworth Co., 2 Cir., 1945, 147 F. 2d 345, 350 (64 USPQ 141, 146); E. J. Books Co. v. Klein, 3 Cir., 1940, 114 F. 2d 955, 957 (46 USPQ 537, 540); In re Coey, 1951, 190 F. 2d 347, 351, 38 C. C. P. A. Patents 1200 (90 U. S. P. Q. 216)."

Back in 1953, McAllister, C.J., of the Sixth Circuit, in *Allied Wheel Products, Inc. v. Rude*, 206 F. 2d 752, 760, 97 USPQ 510, 517, a most notable and carefully written opinion, had said:

> "* * * 'three elements are requisite to validity, to wit: novelty, utility, and invention.' Some things are not patentable because, though new things, they are not invented things. Such things lack patentability not because they lack newness, but because they lack invention. (citations) Anticipation belongs in the field of novelty. To anticipate an invention is to negative novelty; but even though a patent is not anticipated, and is concededly novel, it may lack invention. * * * However, if a new assemblage of old things amounts only to aggregation and not to combination, or if it results in no new operation, the patent which covers it will be void for want of invention, though not void for lack of novelty."

Mr. Justice McAllister then noted (206 F. 2d 761, 97 USPQ 518) that

> "* * * in a number of cases, the word 'anticipation' is used, not as negativing novelty, but as equivalent to invention * * *,"

so that a number of prior patent disclosures

> "* * * may be combined to establish 'anticipation' of invention."

It will be clear that "anticipation of invention" in this context and "lack of invention" mean the same thing, and that in many of the decisions the prior art was used to invalidate a patent because there was "anticipation" or "lack" of the alleged invention there-involved. That this is so appeared in an earlier decision by the same bench of the same Sixth Circuit Court, per Allen, C. J., in *Royal Patent Corp. v. Monarch Tool & Mfg. Co.* (1953), 203 F. 2d 299, 301, 97 USPQ 197, 198, which flatly and unequivocally overruled *Republic v. Youngstown* in the following statement:

> "Appellants urge that the patents relied on are only paper patents but it is well established that this is immaterial upon the question of *invention*."

citing, among others, the Second Circuit decision in *Western States v. S. S. Hepworth* relied on by Mr. Justice Stewart in *Coat Loaders v. Henderson, supra*, p. 15.

The difficulty between using prior patents of paper status against validity of a later patent either for anticipation or for lack of invention arose from the language used by the Supreme Court in *Pickering v. McCullough*, 104 U. S. 310, at 319. The patent in that litigation was attacked on the grounds of lack of novelty and anticipation by a publication and two prior patents. The patentee had combined a rib and a mold, both separately old, and the Court had said, at 104 U. S. 318, "This rib Nimmo substituted for the old one in the same combination. And this

is the whole of the invention. Upon the principle stated, there is no *invention* in it," and then concluded thusly:

> "It is objected, however, that the machines described in these patents are mere paper machines, not capable of successful practical working. But on examination it sufficiently appears, we think, that the objections can be sustained only as to minor matters of detail in construction, not affecting the substance of the invention claimed, and could be removed by mere mechanical skill, without the exercise of the inventive faculty. In this view, the Wise and Smith patents are not rendered inefficient as *defenses* in this suit."

Certainly, in the ultimate ruling that the patent lacked *invention*, a ruling based on the disclosures of prior paper patents, the situation should have been crystal clear. However, subsequent decisions whittled down the doctrine of *Pickering v. McCullough* to exempt therefrom paper patents used to show lack of invention, possibly because the prior invalidating disclosures in that suit had been offered under the title of "anticipations" (104 U. S. 315).

A quite recent (Dec. 6, 1957) pronouncement on the precise point was made by the Court of Appeals for the Seventh Circuit, in *Hobbs v. Wisconsin Power & Light Company*, 250 F. 2d 100, 105, 115 USPQ 371, 375:

> "Appellant finally urges that the Bredtschneider patent (above) and the Murphy patent 1,350,666, both of which are alleged to be anticipatory of the subject matter of Re. 23,272, are mere paper patents, or patents which have never been used commercially and that as such they may *not* be used to indicate a lack of invention over the prior art. *It has been held otherwise.*"

For the Court of Appeals for the Sixth Circuit to have gone back to the doctrine of *Republic v. Youngstown* despite the fact that another bench of the same court had

overruled such doctrine, constituted a failure to follow the decision of the Supreme Court in *Pickering v. McCullough*, and in sharp distinction from the decisions of the Seventh (*Hobbs v. Wisconsin*) and other circuits. This means only that a clear-cut direction should be given by this Court, all to the end that the Bench and Bar will know beyond question in which areas prior uncommercialized patent disclosures may be used for invalidation of a later-issued patent.

For the foregoing reasons, it is urged that this petition for a writ of certiorari should be granted.

Respectfully submitted,

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APPENDIX A.

DRAWING, STILLER PATENT NO. Re. 24,166, JUNE 12, 1956, FOR SELF-CLOSING CONTAINER.

(Original Filed Oct. 16, 1951.)

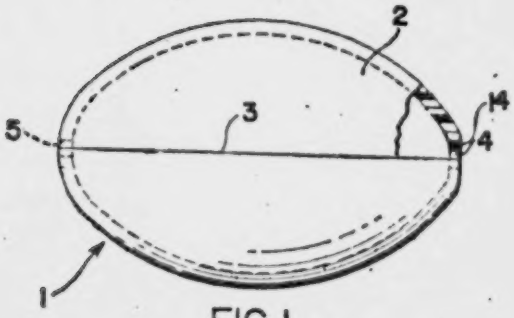

FIG. 1

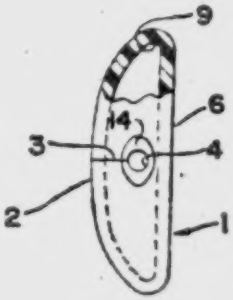

FIG. 3

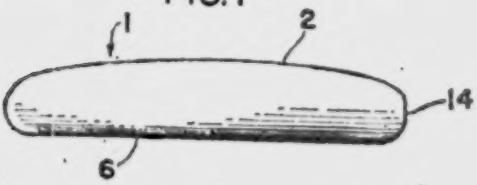

FIG. 2

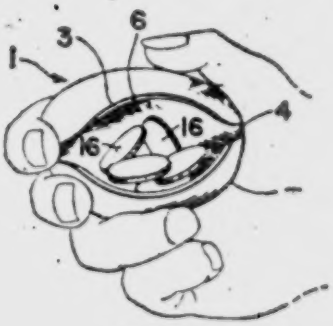

FIG. 5

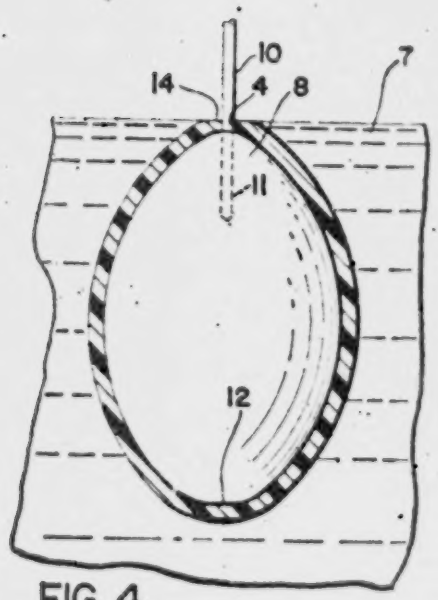

FIG. 4

INVENTOR
BENJAMIN STILLER
BY Ely & Lyze
ATTORNEYS

APPENDIX B.

JUDGMENT OF THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT.

(May 2, 1960.)

Upon consideration of the appeal,

IT IS ORDERED that the judgment of the District Court be affirmed on the memorandum opinion of District Judge Jones and that this cause be remanded to that court for further proceedings not inconsistent with this order.

ORDER DENYING REHEARING.

(June 2, 1960.)

Upon consideration,

IT IS ORDERED that the Petition for Rehearing be and hereby is denied.

In the Supreme Court of the United States

OCTOBER TERM, 1960.

No. 272.

SQUEEZE-A-PURSE CORPORATION,
Petitioner,

vs.

BENJAMIN STILLER, *et al.*,
Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

BRIEF FOR RESPONDENT IN OPPOSITION TO PETITION.

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In the Supreme Court of the United States

OCTOBER TERM, 1960.

No. 272.

SQUEEZE-A-PURSE CORPORATION,

Petitioner.

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BENJAMIN STILLER, *et al.*,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

BRIEF FOR RESPONDENT IN OPPOSITION TO PETITION.

COUNTER-STATEMENT OF QUESTIONS PRESENTED FOR REVIEW.

1. In view of the requirement that a "case or controversy" must be shown, may petitioner use a hypothetical fact situation, different from the case at bar, to obtain a ruling on whether the standard of invention has been lowered by Section 103 when the case at bar does not present such issue?

2. Where the case of *Great Atlantic & Pacific Tea Co. v. Super-Market Equipment Corp.*, 340 U. S. 147 held that invention was lacking both because no "new" elements were involved and because the combination of "old" elements did not yield "unusual or surprising consequences," may Petitioner question whether the Trial and Appellate Courts in the present case followed the "criteria" of the

aforesaid *A. & P.* case, where the Trial Court found that "new" elements *did* exist *and* that said elements combined with the old elements to form a "unique and unitary" combination, and where such findings were affirmed by the Court of Appeals?

3. May a Petitioner seek review on the basis that the anticipatory effect of prior patents was "given little or no weight" by the Trial Court where the Trial Court specifically stated that "* * * *aside from the weakness of non-use* the prior art patents relied upon do not, in my judgment, constitute an adequate defense to validity * * *"? (Emphasis added.)

COUNTER-STATEMENT OF THE CASE.

Petitioner's statement of the background appears merely to be a plea for sympathy, which has no bearing on the questions presented for determination. Moreover, some of the statements, particularly those reciting irregularities and bad faith in the securement of the reissue are erroneous. Significantly no reference to the record appears for supporting such statements.

The statement that the patent owner did not sue Petitioner, thus compelling Petitioner to seek a declaratory judgment is misleading, because factually prior to the filing of such action, the patent owner had sued the Ohio Drug & Specialty Co. in the District Court for the Northern District of Ohio, for selling Petitioner's product, but Petitioner did not enter an appearance in defense of that action. Consequently, a consent decree was obtained and a permanent injunction was issued against the Ohio Drug & Specialty Co. for making, using or selling infringing articles manufactured by Petitioner.[1] (17b)

---

[1] The designation b means the appendix of Respondent in the Appellate Court.

Reissue Patent 24,166 was issued June 12, 1956, with eight claims. Claims 1 to 5 of the reissue patent are identical to claims 1 to 5 of original Patent 2,667,906.

The reissue application was filed February 1, 1956, and called the attention of the Patent Office to the following patents:

a. Meier United States Patent 2,125,354

b. Butler United States Patent 2,086,378

c. Nelson United States Patent 2,278,088.

The reissue patent was granted over these patents by the Patent Office and the attention of the Court is respectfully directed to the fact that Butler and presumably Nelson are the prime references noted by the Petitioner in support of this petition.*

The infringement complained of in this case is, in the words of the Trial Judge (50a).

"* * * better than a Chinese copy. * * *"

Such finding was correct because the Petitioner's executive officer, Nathan Silverman, upon seeing the patented item of the Repondent, merely gave instructions to "* * * make up a purse like this Quick-Coin * * *" (19b). The infringing item has never deviated from the exact duplication originally introduced.

The trial of this case was conducted before the Honorable Paul Jones of the United States District Court for the Northern District of Ohio, Eastern Division, on March 23 and 24, 1959.

Opposing expert witnesses gave conflicting testimony as to the prior art. On May 27, 1959, the District Court rendered its opinion reproduced in Petitioner's Appendix in the Court of Appeals (159a).

---

* Reference is erroneously made on page 6, line 8 of the petition to a "Fulton" patent. There is no such patent in the record of this case.

Respondents contend that the Trial Court opinion made the following factual conclusions:

"—As to invention:

1. Claim 3 constitutes invention.

2. The defendant's article is made up of a unique and unitary combination of old elements and new and useful elements which constitutes a definite advance.

—As to the prior patents:

1. Nothing in the prior art patents relied upon clearly demonstrates or discloses the unitary character of claim 3.

2. Neither the material used nor the structure of the earlier prior art patents disclose the original adaptable structural features and elements which characterize the practical, clean-cut and operable art of the defendant's purse.

3. There are some disclosures of certain functional features in the prior art patents but their object and purpose were not directed in each case to the same operable elements as those of the defendant's purse.

4. None of the earlier patents read on or disclose the features of the elements and features of the defendant's purse.

5. Aside from the weakness of non-use, the prior art patents relied upon do not constitute an adequate defense for validity and infringement of the defendant's patented article.

—As to the paper status of the prior art:

1. Paper patents are considered not as anticipation but as testing the novel character of the challenged patent as an advance over the earlier disclosure.

—As to the validity of the patent:

1. The defendant's patent is valid and infringed."

The District Court in finding validity analyzed the elements of Claim 3 of the Patent in suit and found that two of the elements designated "F" and "G" in the decision were new and also found that all of the elements were arranged in a unique and unitary combination. (160a and 161a.) Such holding on invention was preceded by a specific request by the court at the completion of the trial, for counsel to provide briefs on the following questions:

1. Was there invention in the Defendant's product?

2. What was the pertinent prior art?

3. The effectiveness of earlier art as anticipation where there was no commercial use or manufacture. (160a.)

Pursuant to the foregoing request the questions were fully briefed by counsel, hence the finding of the Court must be accepted as a result of a careful consideration of the factual question as to the presence or absence of elements in the prior art of record. The affirmance by the Court of Appeals should justify the conclusion that the findings were presumptively correct and were predicated upon the correct rule of law.

It is clearly apparent from Petitioner's statements at pages 5 and 6 under the heading "The Decision Below" that Petitioner seeks to premise its argument as to elements "F" and "G" by considering them out of context with the remaining portion of claim 3. When read in context with the remaining portion of the claim it is clear that elements "F" and "G" are not old in the art. Thus element "F" recites "said envelope" and hence refers back to the element which defines the envelope. Element "D" recites the envelope as having "a substantially closed slit *in one face*" (Emphasis added). Each prior art patent lacks element "D."

Similarly element "E" defines the slit as "extending from one periphery to an opposite periphery," thus meaning that the slit extends "in one face" from one periphery to an opposite periphery. Each prior art patent lacks element "E." Accordingly, when element "F" defines the envelope as having "oppositely disposed through apertures," and when element "G" defines the "slit" as communicating with the respective apertures, the elements "F" and "G" take on a different meaning from that which Petitioner seeks to convey. The Trial Court fully understood such distinction, and was therefore justified in holding that the elements "F" and "G" when considered with the remaining elements resulted in an article made up of a "unique and unitary combination of old elements with new and useful elements" (161a).

Moreover, the fact that the Court found (161a) that the elements "F" and "G" constitute "one of the prime novelties of the article" is no admission by the Court that all the preceding elements are old. Most certainly there is no "finding" by the District Court that all such elements "A" to "E" are "old." Likewise, there is no admission either by Respondents' Counsel or by Respondents' Expert Witness that elements "F" and "G" are "old."

Petitioner's statement at page 6 that the Courts below rejected prior art patents because they "had not been proven by the Petitioner" is factually incorrect. It is obvious from a reading of the opinion by the Trial Court that the patents were considered either specifically and by name (162a, lines 19 to 27), or by definition—which would include Butler Patent No. 2,086,378 (162a, lines 11 to 18).

When read in context it is clear that the Trial Court relied upon the testimony of the witness De Jong only for knowledge as to what features would constitute an ad-

vance in the art from the viewpoint of salability of the article. The statement that Respondents have "abandoned the Court's opinion on this point" is denied.

ARGUMENT.

REASONS FOR DISALLOWANCE OF THE WRIT.

Respondent respectfully calls the attention of the Court to the fact that Petitioner at pages 9, 10 and 12 has rephrased the "Questions Presented" (at pages 2 and 3) so that when one reads the argument in support of the question one is under the impression that an entirely *different* question is before the Court. Such practice enables Petitioner to give the impression that much bigger, weightier and more generic questions are being presented for consideration—questions which are raised neither by the "questions presented" nor by the facts of record in the case. In fact, as Respondent shows *infra*, *not one* of the questions set forth by Petitioner, either in the original statement or in the flagrantly misleading restatement thereof preceding the argument, is raised by the facts of the present case.

Petitioner sets up straw-men questions, such as, that the Bench and Bar require a "clear-cut, unequivocal expression of opinion and direction by this Court" as to the standard of invention set forth by Section 103, without mentioning that the facts of the present case do not raise the question. This cavalier treatment of facts continues at the crucial points of Petitioner's brief, wherein Petitioner sets forth as "facts" statements which are completely unsupported by the record, as well as misstatements of the clear language of the Trial Court's opinion. These latter points will be discussed *infra* as they appear in order. Suffice it here to say that Petitioner's need to

resort to distortion, and "blowing up" of the questions presented is but one of many indications that Petitioner is attempting to bring a sham case before the Supreme Court, by framing questions which, though perhaps interesting in the abstract, are not properly before this Court.

As to the First Question.

Petitioner's "first" question as stated in the section entitled "Questions Presented for Review," page 2, is as follows:

> "1. Have the standards for determining the presence or absence of invention in any given patent been so changed by the Patent Act of July 19, 1952, Title 35, U. S. C., section 103, as to validate a patent on a combination of old elements, no one of which elements performs any new, different, unusual or unexpected purpose or function in the combination?"

No argument of any kind is submitted at pages 9-10 in support of the question. The discussion at pages 9-10 is limited to allegations that there is a conflict among the circuit courts as to the standard of invention set forth by Section 103. The mere statement that a conflict exists among the circuits on a point of law is not sufficient to entitle a case to be heard by the Supreme Court of the United States. In addition it must be shown that the case for which certiorari is sought actually raises the issue posed by the question. Article III, Sec. 2, Cl. 1 of the Constitution of the United States requires that there must be a "case or controversy."

In re Summers, 325 U. S. 561, 567;
Railway Mail Assn. v. Corsi, 326 U. S. 88, 93;
United States v. State of California, 332 U. S. 19, 24, 25;

International Longshoremen's and Warehousemen's Union Local 37 et al. v. Boyd, 347 U. S. 222, 223, 224.

Nor could such a showing have been made. The question posed by Petitioner asks for a ruling as to the standard of invention where only "old" elements are involved—yet the Trial Court found that "new" elements were present in the instant case. Petitioner also asks for a ruling on a combination of "old elements" no one of which elements performs any new, different, unusual, or unexpected purpose or function"—yet the Trial Court found that the combination of old and "new" elements was "unique and unitary."

35 U. S. C. 103 is correctly reproduced as follows:

"Conditions for patentability—Non-obvious subject matter.—A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made. (July 10, 1952, c. 950, 1, 66 Stat. 798.)"

The Petitioner concedes, on page 9 of its petition, that the First, Third, Fifth, Seventh and Ninth Circuits have consistently held that 35 U. S. C. 103 did no more than codify the existing case law on the question of "invention."

Thus, the standard of invention established by *Hotchkiss v. Greenwood*, 52 U. S. 248, (11 How. 248), is acknowledged to be in effect. The petitioner states, however,

that the Second and Sixth Circuits have held differently but Respondent submits that this is not correct.

The Second Circuit, speaking recently through Chief Judge Clark in *E. J. Brooks v. Stoffel Seals Corp.* (C. C. A. 2, 1959), 266 F. 2d 841, 121 U. S. P. Q. 333, held as follows (121 U. S. P. Q. 335):

> "Clearly Lyon v. Bausch & Lomb Optical Co., 2 Cir., 224 F. 2d 530, 106 U. S. P. Q. 1, certiorari denied Bausch & Lomb Optical Co. v. Lyon, 350 U. S. 911, 107 U. S. P. Q. 362, does not support it; that case in fact recognizes 'the continued authority' of Hotchkiss v. Greenwood, 11 (2) How. (52 U. S.) 248, 267, and its requirement that the improvement over the prior art must be more than would be obvious to a person having ordinary skill in the art. And that test is definitely and expressly carried over to the Patent Act of 1952, 35 U. S. C. 103.[5] "

This clearly contradicts the statement of the Petitioner as to the law of the Second Circuit with respect to interpretation of 35 U. S. C. 103.

With regard to the Sixth Circuit, it should be noted that, in fact, the Sixth Circuit was one of the first circuits to speak out and interpret the effect of the 1952 Patent Act and particularly Section 103 thereof.

On April 19, 1953, Judge McAllister, speaking for the Court in *General Motors Corp. et al. v. Estate Stove Co.* (C. C. A., 1953), 201 F. 2d 645, 96 U. S. P. Q. 62; rehearing 203 F. 2d 912, 97 U. S. P. Q. 88, cert. den. 346 U. S. 822, 99 U. S. P. Q. 490, stated as follows (97 U. S. P. Q. 90):

> "From the foregoing, it would appear that the new Act has done no more in this respect than to adopt the test of 'obviousness' which has, in the past, been enunciated by the Courts, and that it did not provide

a new test differing from that which has generally been followed in the adjudication of patent cases."

This rule has consistently been followed by the Sixth Circuit since this decision.

Bobertz v. General Motors Corp., 228 F. 2d 94, 107 U. S. P. Q. 338, cert. den. 352 U. S. 824, 111 U. S. P. Q. 466;

National Latex Products Co. v. Sun Rubber Co. (C. C. A. 6, 1959), · F. 2d ; 123 U. S. P. Q. 279, rehearing 274 F. 2d 224, 124 U. S. P. Q. 84, cert. den. U. S.

Further, the Tenth Circuit has recently adopted the similar view that the 1952 Act merely amounted to a codification of the existing law. *Blish, Mize, Silliman Hardware Co. et al. v. Time Saver Tools, Inc. et al.*, (C. C. A. 10, 1956) 236 F. 2d 913, 111 U. S. P. Q. 6.

Thus, it is clear that there is no disagreement between the various Courts of Appeals as to the effect and interpretation of the 1952 Patent Act. In fact, there is complete harmony and, accordingly, there is no need for the Petition to be granted for the resolution of a well settled point of law.

As to the Second Question.

The second question of Petitioner presented for review at page 3 is as follows:

"2. Has the Court of Appeals for the Sixth Circuit, in affirming on the memorandum opinion of the District Court, applied correct criteria for determining invention, as set forth in The Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp. (1950), 340 U. S. 147, 95 L. Ed. 162, 87 U. S. P. Q. 303?

The argument of the Petitioner on the second question is premised on the assumption that the Trial Court erroneously found the elements "F" and "G" to be new and novel.

This position on the part of the Petitioner has been challenged by the Respondent in the Counter-Statement of Facts and for the purpose of avoiding repetition in this argument, it suffices to say that the Trial Court, considering the elements "F" and "G", as limited and defined by the elements "D" and "E", made a specific finding that the elements "F" and "G", when read in context with the remaining elements of the claim, were new and novel.

Thus, the fact situation here presented is one where an article has been made up of *novel and unobvious* elements that were combined in a *novel and unobvious* way with old elements so as to produce a *novel and unobvious* combination.

It is again reiterated and emphasized that there is no "finding" of the Court that the elements A through E inclusive of claim 3 are old.

Novelty of certain of these elements *has at all times* been challenged and disputed.

Thus, there is presented for review a fact situation which differs materially from that which was presented in *Atlantic & Pacific* where all of the elements were old *and* were not combined in an unusual or surprising fashion.

The Sixth Circuit has spoken frequently on the standard of invention as set forth by the Supreme Court in *Atlantic & Pacific*.

In *General Motors Corp. et al. v. Estate Stove Co.* (C. C. A., 1953) 201 F. 2d 645, 96 U. S. P. Q. 62; rehearing 203 F. 2d 912, 97 U. S. P. Q. 88; cert. den. 346 U. S. 822, 99 U. S. P. Q. 490, Judge McAllister, speaking for an unanimous bench, stated, in declaring invalid certain patents, as follows (96 U. S. P. Q. 77):

"It is also to be observed that the District Court made no findings that the old elements constituting these patents performed any additional or different function in the combination than they performed out of it, and the absence thereof goes to the weight to be accorded the findings of patentability of the District Court. Great Atlantic and Pacific Tea Co. v. Supermarket Equipment Corp., *supra*."

Later, in *Allied Wheel Products, Inc. v. Rude*, 206 F. 2d 752, 97 U. S. P. Q. 510, Judge McAllister again relied upon *Atlantic and Pacific* to invalidate a combination patent where old elements of the prior art were combined and where these old elements performed the same function in the combination as they had performed prior to being placed in the combination. Again the Court observed that the District Court had failed to find any novelty with respect to any of the elements or in the manner in which they were combined.

The doctrine of *Atlantic and Pacific* was even more emphatically interpreted by the Court of Appeals for the Sixth Circuit in *Bobertz v. General Motors Corp.*, *supra*. In such case, wherein the Sixth Circuit invalidated a patent on a transparent hood, Judge Martin again speaking for unanimous bench stated as follows (107 U. S. P. Q. 341):

"Any lingering doubt as to the intention of the Supreme Court to require strict rather than liberal construction of combination claims was certainly dispelled by its opinion in Great Atlantic and Pacific Tea Co. v. Supermarket Equipment Corp., 340 U. S. 147, 154, 87 U. S. P. Q. 303, 306, where the majority opinion concluded that the standard of invention used in the lower courts was less exacting than that required where a combination was made up entirely of old components."

After discussing *General Motors v. Estate Stove Corp.*, *supra*, and Judge McAllister's opinion therein, the Court concluded as follows:

> "We are, however of the view that the principle stated in the Great Atlantic and Pacific Tea Co. case is not modified by the new Act, *but continues to be the law and is here controlling.*" (Emphasis added.)

The above language of the decisions of the Sixth Circuit clearly refute any statement that the Sixth Circuit is "currently applying a standard of invention relaxed considerably from that expressed in Atlantic and Pacific," as alleged by Petitioner.

The Trial Court in the present case found *both* that new elements were present, *and* that the combination was unique (161a). Thus, it is clear that the Trial Court applied the *A. & P.* case, but concluded that the two items which were lacking therein were present in the instant case. The Court of Appeals, following its long and uninterrupted practice of requiring that the high standards of the *A. & P.* case be followed, affirmed the decision. Thus there is no question here as to whether the Trial and Appellate Courts followed the criteria established by the *A. & P.* case.

As to the Third Question.

Petitioner's Third Question Presented for Review (at page 3) is as follows:

> "3. May clear disclosures of properly granted prior patents, offered as evidencing lack of invention in a patent in suit, be given little or no weight simply because the said prior patents were not proven *by the proponent* thereof to have been commercialized successfully?"

Petitioner's argument in support of the question at page 12 is as follows:

> "Thereupon, the courts below—in view of plaintiff-petitioner's failure to prove affirmatively that the prior patents had been successfully commercialized, although the leather pocket purse was admittedly still being made and sold—*gave no weight to the prior patents*, citing Republic Iron & Steel Co. v. Youngstown Sheet & Tube Co. (6 Cir. 1921) 272 Fed. Rep. 386." (Emphasis added.)

In stating that the *Appellate* Court "gave no weight" to the prior art, because of its paper status, Petitioner has made a blatant and inexcusable misstatement of the very fact on which he now seeks review—*i.e.* as stated by his question presented for review, whether the *Trial* Court committed prejudicial error in giving "little or no weight" to the prior art as anticipation *because Petitioner did not show they were operative*. Petitioner refers only to the Third question propounded by the Trial Court, and fails to quote the *First* question which was "Was there *invention* in the defendants' product?" (Emphasis added.) (160a.) This was a separate question from the third which related to the paper status of the patents and was answered separately from any consideration of the paper status of the patents. The Court states in its opinion (160a) as follows:

> "Suffice it to say that *aside from* the weakness of nonuse the prior art patents relied upon do not, in my judgment, constitute an adequate defense to validity. * * *" (Emphasis added.)

and again at page 162a:

> "Nothing in the prior art patents relied upon clearly demonstrates or discloses the unitary character of claim 3. Neither the material used, nor the structure of the earlier art patents disclose the original adaptable structural features and elements which characterize

> the practical, clean-cut and operable art of the defendants' purse. * * *"

In the next paragraph, the Trial Court acknowledged

> "* * * some disclosures of certain functional features in the prior patents. * * *"

but the Court noted that

> "* * * their object and purpose were not directed, in each case, to the same operable elements as those of the Defendant's purse. * * *"

Each of the references, except Butler, was specifically recited and analyzed by the Court, who, towards the end of the opinion, reached the following conclusion:

> "It is my judgment that none of these earlier patents read on or disclose the equivalents of the elements and features of the Defendant's purse."

It is hard to envision how a Court could have more lucidly rejected the prior art after according it the full weight that it was entitled to.

There is no conflict of authority in the several circuits regarding this question of law.

The law in the Sixth Circuit is, and always has been that the non-use of paper patents may not affect their value for anticipation purpose. *Trabon Engineering Corp. v. Dirkes* (C. C. A. 6), 136 F. 2d 24, 58 U. S. P. Q. 97; *Campbell v. Mueller* (1947), 159 F. 2d 803, 72 U. S. P. Q. 295; *Republic Iron & Steel Co. v. Youngstown Sheet & Tube Co.* (6 Cir. 1921), 272 Fed. Rep. 386; *Coats Loaders & Stackers, Inc. v. Henderson*, 233 F. 2d 915, 109 U. S. P. Q. 332; *Royal Patent Corp. v. Monarch Tool & Mfg. Co.* (1953), 203 F. 2d 299, 97 U. S. P. Q. 197.

With the reference to the Seventh Circuit, the Petitioner cites only *Hobbs v. Wisconsin Power & Light Co.*,

250 F. 2d 100, 105, as support for the proposition that the basic doctrine of *Pickering v. McCullough*, 104 U. S. 310, has been "whittled down." We submit that this is not the case and in support of such position we offer the following quotation from the *Hobbs* case appearing at 250 F. 2d 105:

> "The fact that prior patents have not been used commercially is relevant only insofar as it tends to indicate that the step from them to the patent in suit actually involved invention."

This is the precise manner in which the non-user or non-commercialization of the prior art was considered by the Trial Court in reaching its opinion.

Even more recent, is the following pronouncement of law on this point from *University of Illinois Foundation v. Block Drug, et al.* (C. C. A. 7, 1957) 241 F. 2d 6, 11; 112 U. S. P. Q. 204, 207, as follows:

> "As already noted, none of the prior art was reduced to commercial practice and this in spite of the long felt want for a dentifrice which would aid in the elimination of tooth decay. The statement of this Court in Ric-Wil Co. v. E. B. Kaiser Co., 179 F. 2d 401, 404, appears to be appropriate:
>
> 'The prior art upon which the Defendant now lavishes its praise was apparently permitted to lie dormant until the exigency created by a suit for infringement required its resurrection.'
>
> It is true, as Defendants pointed out, that major art, even though not reduced to practice, may be utilized to anticipate."

It is noteworthy of consideration by this Court that the attention of the Patent Office, in this case, was specifically directed to the *most pertinent of the prior art* that is now being so lavishly praised by the Petitioner.

The Trial Court gave full weight to the prior art and rejected it in toto.

This finding of fact was affirmed by the Sixth Circuit Court of Appeals, which obviously concluded that such full weight had been given to the prior art by the Trial Judge.

The foregoing argument has been directed to Petitioner's Third Question as stated at page 3 of the petition. It is noted, however, that the eye-catching "restatement" of the question in bold-faced type on page 12 sets forth an entirely different question, which is not relevant to the present fact situations presented by this case. It is further noted that much of the argument of Petitioner, particularly on pages 14-18 is devoted to the aforesaid irrelevant and improper question.

Thus it is apparent (1) that the facts of the present case fail to present a "case or controversy" with respect to the third question, and (2) that there is not even a controversy among the circuits. But even if the latter were true then, as in the first two questions, Petitioner may not set up a hypothetical question to provide a decision thereon.

CONCLUSION.

The questions presented by Petitioner are hypothetical and therefore present no "case or controversy" in this Court. The questions assume facts which are not present in the case at bar, and assert a conflict of authority between various Courts of Appeal which does not exist. Thus there is no unsettled law which confuses the Bench and Bar.

Stripped of its verbiage, this case presents simply one of wilful and deliberate copying of a patent which was found to be valid and infringed.

The Petition for a writ of certiorari should be denied.

Respectfully submitted,

ALBERT R. TEARE,

Attorney for Respondent.

J. WILLIAM FREEMAN,

Of Counsel.

In the Supreme Court of the United States

OCTOBER TERM, 1960

No. 272

SQUEEZ-A-PURSE CORPORATION

Petitioner,

vs.

BENJAMIN STILLER et al.

Respondents.

ON PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE SIXTH CIRCUIT

REPLY BRIEF FOR PETITIONER.

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In the Supreme Court of the United States

OCTOBER TERM, 1960.

No. 272.

SQUEEZ-A-PURSE CORPORATION,
Petitioner,

vs.

BENJAMIN STILLER, *et al.*,
Respondents.

ON PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE SIXTH CIRCUIT.

REPLY BRIEF FOR PETITIONER.

At two places in their brief in opposition to this petition for a writ of certiorari, respondents made a number of indefensible assertions. At page 6, the following appears:

> "Moreover, the fact that the Court found (161a) that the elements 'F' and 'G' constitute 'one of the prime novelties of the article' is no admission by the Court that all the preceding elements are old. Most certainly there is no 'finding' by the District Court that all such elements 'A' to 'E' are 'old.' Likewise, there is no admission either by Respondents' Counsel or by Respondents' Expert Witness that elements 'F' and 'G' are 'old.' "

at page 12, respondents' brief contains the following:

> "It is again reiterated and emphasized that there is no 'finding' of the Court that the elements A through E inclusive of claim 3 are old."

These statements were made to this Court by the respondents in the brief filed on or about August 24, 1960, *in the face of a final Judgment entered by the District Court on August 17, 1960, which flatly and directly contradicts the quoted assertions.** That respondents did so merely emphasizes the necessity for a full-scale review by this Court of the proceedings below.

The entire final Judgment of August 17, 1960 appears as Appendix C hereto, but the second paragraph thereof, most pertinent to the situation raised by respondents' quoted assertions, follows:

> "2. The plaintiff's complaint** is sustained as to claims 1, 2, 4 and 8 of the said patent on the ground of the invalidity thereof and as to claims 6 and 7 on the ground of the non-infringement thereof; otherwise the complaint is dismissed."

Every one of claims 1, 2, 4 and 8 contains elements "A" through "E" (with claims 2 and 4 variously adding elements "H" through "J"). Yet, the District Court finally** held these four claims to be invalid, obviously because it found (and so stated in its memorandum opinion) that all of these elements were old in the art. Thus, even if respondents did challenge and dispute the age of these elements "A" through "E" and "H" through "J", the District Court's final judgment of invalidity of these claims negates the accuracy—and indeed the propriety—of the quoted assertions made to this Court by respondent.

Going even further, respondents in these quotations deny admissions made by their counsel and by their ex-

---

* Emphasis applied throughout.

** In the final Judgment, the District Court for the first time made formal disposition of any issues but that on Claim No. 3. In the original memorandum opinion, the Court failed to consider any claim but No. 3, and admitted the ineptness in its original opinion. The Circuit Court, in adopting the District Court's opinion in toto, committed the same ineptness.

pert witness. On the expert witness aspect of the denials, the Court's attention is directed to the following series of cross-questions and answers by Mr. Hoover, the expert, appearing at 93a, 94a of petitioner-appellant's appendix:

"Q. So that we then have in Nelson the enlarged openings near the ends of that container with a slit communicating with those enlarged openings?

* * * * *

A. That's right.

Q. Now, isn't that one of the purposes of the openings at the ends of the Stiller container? A. There are three stated functions of that hole in Stiller, and that ease of opening is one of them, so stated.

Q. Now, wouldn't the fact that you had that transverse slit, wouldn't that perform the function of the openings in Stiller, whether designedly or not? A. I think so. Let me check just a minute. I have forgotten. Yes, I would say so.

Q. Now, wouldn't the same thing be true of the openings in the end of the Butler container, whether designedly or not, the fact that they do have these openings communicating (171) with the slit? A. I would say so, yes."

The original memorandum opinion of the District Court, at 161a, establishes that element "F" constitutes the oppositely disposed through openings of the first of these questions, and that element "G" constituted the communication between the lengthwise-extending slit and the apertures of the same question. At 93a, folio 169, Mr. Hoover, the expert witness, admitted the presence of the *structure* of elements "F" and "G" in the Nelson prior patent and in his answer to the second of the questions above-quoted he admitted anticipation by Nelson of the *functional or operational* results of the elements. At 90a, folio 162, the witness Mr. Hoover admitted the presence in the Butler prior patent of the *structure* of elements "F" and

"G," and in his answer to the last of the above-quoted questions he admitted the *functional or operational* identity of these elements in the Butler patent to the same old elements in the Stiller patent in suit.

While the fact that the District Court overlooked or ignored the presence and import of these admissions is ground calling for review by this Court, it is inconceivable that respondents' counsel should deny the very existence of these admissions in this record. It is even less understandable that respondents' counsel now deny, as they do in the quotation from page 6 of their brief, their own admission before the Circuit Court of Appeals that elements "F" and "G" were old *at least in the Butler patent*. The admission clearly appears on their chart of the elements of the patent in suit as related to the disclosures of the prior art placed opposite page 26 of their brief to the Circuit Court (the chart is appended hereto as Appendix D). It is to be noted, moreover, that at page 16 of their brief to this Court, respondents admit that this same Butler patent was not recited nor analyzed by the District Court in its memorandum opinion.

In the face of this factual situation, the questions propounded to this Court by petitioner clearly arise directly and unmistakably from the present case or controversy. On the first question, the Circuit Court could not have adopted the opinion of the District Court as its own unless—in the face of the fact that *all* the elements of the claims in suit were old—it followed a standard of invention greatly relaxed from that of *A. & P.*, and the existence of conflict of interpretation between the Sixth (and Second) Circuit and the other Circuits is thus clear in calling for an interpretation by this Court, for the first time, of Section 103.

Respondents seek to avoid the second question propounded by the petition by claiming the presence or ex-

istence of new elements as F and G. *There are no new elements*, as is made clear above, as a matter of admitted or established fact, and that *A. & P.* was not followed calls for correction of and direction to the Court of Appeals for the Sixth Circuit by this Court.

On the third question, respondents' brief goes even further afield from the record. Had the District Court not relied on plaintiff's failure to prove, affirmatively, the commercial success of the prior art, it would not have made the third request for briefing of the law set forth at 160a, nor would it have made no less than *four* references to the lack of affirmative proof of the prior art's commercial success (two at 160a and two at 162a) in its memorandum opinion. The District Court actually "deemed" it unnecessary to "analyze and point out" the supposed failings of the prior art *for this very reason* (160a).

It is submitted, therefore, that there is no tenable or supportable opposition to the grant of the writ sought by the petitioner, and it should be granted.

Respectfully submitted,

ROBERT I. DENNISON,

Attorney for Petitioner.

WILLIAM R. LIBERMAN,

Of Counsel.

APPENDIX C.

JUDGMENT OF THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF OHIO, EASTERN DIVISION.

(Filed Aug. 18, 1960.)

JONES, *J.*:

It now appearing that the United States Court of Appeals for the Sixth Circuit by its mandate filed herein June 9, 1960, relative to the order of this Court entered on May 27, 1959, affirmed the judgment of the District Court with directions for further proceedings in accordance with the mandate, it is hereby:

ORDERED, ADJUDGED and DECREED, that:

1. This Court has jurisdiction of the parties and of the causes of action involving U. S. Reissue Letters Patent No. 24,166.

2. The plaintiff's complaint is sustained as to claims 1, 2, 4 and 8 of the said patent on the ground of the invalidity thereof and as to claims 6 and 7 on the ground of the non-infringement thereof; otherwise the complaint is dismissed.

3. Defendant, Benjamin Stiller, was, on May 27, 1959, the sole owner of the legal title to U. S. Reissue Patent No. 24,166, dated June 12, 1956, and the defendant, Benjamin Stiller, was, on May 27, 1959, the sole owner of the legal title to U. S. original Letters Patent No. 2,667,906, dated February 2, 1954, on which said Reissue Patent No. 24,166 was based.

4. Said Reissue Letters Patent No. 24,166 of the United States is good and valid at law as to claims 3 and 5 thereof which constitute invention.

5. Plaintiff Squeez-A-Purse Corporation has infringed claims 3 and 5 of said Reissue Letters Patent No. 24,166 by the manufacture and sale of coin purses as Plaintiff's Ex-

hibit No. 20 prior to the filing of the complaint in this action and since the filing of the said complaint.

6. Said Reissue Letters Patent No. 24,166 was validly issued upon the surrender of original Patent No. 2,667,906, and the Oath supporting the Reissue Patent is legally sufficient.

7. Defendants are not guilty of unfair competition with the plaintiff.

8. Defendant, Benjamin Stiller, shall recover from plaintiff, Squeez-A-Purse Corporation the sum of Forty-seven Thousand ($47,000.00) Dollars as damages suffered by the defendant, Benjamin Stiller by virtue of the infringement of said Letters Patent.

9. Defendant, Benjamin Stiller, shall recover from plaintiff, Squeez-A-Purse Corporation, the amount of the defendant's costs in this action.

10. An injunction shall issue under the seal of this Court enjoining plaintiff, Squeez-A-Purse Corporation, its officers, agents, and those in privy with it, and enjoining Nathan Silverman, his agents, and those in privy with him, from infringing said United States Reissue Patent No. 24,166, by the manufacture or sale of coin purses embodying the invention of said Reissue Patent No. 24,166, and particularly embodying the construction of coin purses having the construction of a purse identified as Plaintiff's Exhibit 20 herein.

11. The mandate of the United States Court of Appeals for the Sixth Circuit dated June 8, 1960, and affirming the opinion filed by this Court herein on May 27, 1959, shall constitute the findings and conclusions of this Court as provided in Rule 52(a) of the Federal Rules of Civil Procedure.

12. The restraining order entered by this Court on January 23, 1957, restraining Benjamin Stiller from prosecuting Civil Action No. 1062, pending in the United States District Court for the Middle District of North Carolina at Greensboro is hereby dissolved.

13. In the event that the judgment amount above set forth in paragraph 8 is not paid to defendant, Benjamin Stiller, in full within sixty days from the date of entry of this order, then and in that event, the plaintiff, Squeez-A-Purse Corporation is hereby adjudged as having failed to satisfy the judgment of this Court and in such event the Surety on the bond approved July 2, 1959, is ordered to immediately pay the defendant, Benjamin Stiller, the sum of Fifteen Thousand ($15,000.00) Dollars.

14. It is further ordered that in the event that this judgment is not satisfied in full within sixty days following entry of this order, that then and in that event, the Clerk of this Court shall make disbursement to the Defendant, Benjamin Stiller, of the moneys collected under the order of July 2, 1959, in the approximate amount of Fourteen Thousand Two Hundred Seventy-two Dollars and Thirty-eight cents ($14,272.38).

JONES,

United States District Judge.

August 17, 1960.

CHART I.

CLAIMS 1-5

A quick opening and self-closing container for articles, comprising:

A. A unitary envelope of material having elastic properties similar to those of soft rubber.

B. Said envelope defining a substantially fully closed interior volume.

C. Said envelope ". . . having a depth relatively small in comparison to dimensions transverse to its depth."

D. Said envelope having a substantially transverse normally closed slit in one face.

E. Said slit in said face ". . . extending from one periphery to an opposite periphery."

F. Said envelope having oppositely disposed through apertures.

G. The respective ends of said slit communicating with respective apertures.

H. The face bearing the slit being arched.

I. The envelope being elliptical in plan.

J. The top region of said arched side having a curvature of less magnitude than the balance of said arched side.

K. The slit face being substantially flat in the region of the slit.

PRIOR ART REFERENCES

Present In Claims	Booker (117a)	Hurlbut (121a)	Richardson (125a)	Meier (129a, 137a)	Butler (133a)	Nelson (145a)
1, 2, 3, 4, 5	Disputed	Disputed	Yes	Disputed	Yes	Yes
1, 2, 3, 4, 5	Yes	Yes	Yes	Yes	Disputed	Disputed
1, 2, 3, 4, 5	Disputed	No	No	Yes	No	Disputed
1, 2, 3, 4, 5	Disputed	Disputed	Disputed	Disputed	Disputed	Disputed
1, 2, 3, 4, 5	Disputed	Disputed	Disputed	Disputed	Disputed	Disputed
3, 5	No	No	No	No	**YES**	Disputed
3, 5	No	No	No	No	**YES**	Disputed
2, 4	Disputed	Disputed	Yes	Disputed	No	Disputed
4	Yes	No	No	Yes	No	No
4	No	No	No	Disputed	Disputed	No
5	No	No	No	Disputed	Disputed	No

In reading this chart "Disputed" means that the testimony was conflicting. "Yes" means that the element was admittedly present in the prior art. "No" means that the element is admittedly not present in the prior art (see chart p. 22 appellant's brief).

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In the Supreme Court of the United States

OCTOBER TERM, 1960.

No. 272.

SQUEEZ-A-PURSE CORPORATION,
Petitioner,

vs.

BENJAMIN STILLER, *et al.*,
Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT.

REPLY BRIEF OF RESPONDENT.

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In the Supreme Court of the United States

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Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT.

REPLY BRIEF OF RESPONDENT.

Although the simple facts of the case at bar are that the Petitioner, through its executive officer, Nathan Silverman, saw the Defendant's patented purse at a convention and merely ordered "* * * better than a Chinese copy * * *" of it manufactured, the Petitioner, nonetheless, continues to advance to this Court that this case involves a matter of grave importance that should occupy the attention of this Court.

We submit that, in fact, the opposite is true and that the proceedings below have adequately and completely disposed of an adjudicated infringer.

In the Petition, three questions were presented. The Respondent's Brief in Opposition pointed out that though the questions were framed in such a manner as to be "eye catching" they were, in fact, based upon a hypothetical fact situation different from the case at bar.

For example, the Petitioner's first question was directed to the subject of "invention" and in presenting the question the Petitioner assumed that all of the elements were, in fact, old and then proceeded to postulate that a Court finding "invention" in a combination of such old elements was in error unless 35 U. S. C. 103 had changed the standard of invention.

Likewise, and for the purpose of presenting the *A & P* doctrine for consideration under the Second Question, the Petitioner again assumes that all elements are in fact, or by admission, old, and that the Sixth Circuit Court of Appeals thus deviates from the rule of law of *Atlantic and Pacific* in finding patentability in such a combination of elements.

These are "straw grasping" maneuvers because the fact is that the Trial Court found novelty in at least two of the seven elements present in the Claim presented for consideration. This finding of novelty was affirmed by the Court of Appeals.

With reference to the question of novelty of elements A through E, Petitioner relies upon the Judgment of August 17, 1960 (Appendix C) in refutation of Respondent's assertions at pages 6 and 12 of Respondent's Brief. *Such Judgment is not before this Court and is irrelevant to the petition for certiorari.* For the purpose of denying this Petition, the Lower Court's finding as to elements A through E is irrelevant, because the Lower Court found elements F and G to be novel and found the overall combination of all the elements to be "unique and unitary." Such finding is in conformance with the requirements of the *A & P* case and is exactly opposite to the hypothetical question posed for review. Petitioner, by focusing on elements A through E, is attempting to distract the Court's attention from the issue raised by the questions by cre-

ating a diversionary conflict. Note that at no time has Petitioner denied that the Trial Court *found* elements F and G to be new and *found* the combination of all elements A through G to be unique and unitary.

In answer to petitioner's implication of an "indefensible assertion" we need only point out that respondent's Brief was completed on August 17, 1960, and delivered to the printer on August 18, 1960. In any event, the basis for the petition is not the judgment of August 17, 1960, but instead, is the Order of May 27, 1959, which is reproduced herein as Appendix E.

Petitioner also quotes, out of context, the testimony of Respondent's expert in order to controvert the *finding* of fact as to elements F and G—a finding of fact which has *not* been assigned as error in the questions presented. With regard to such testimony it need only be noted that the Trial Court, considering *the whole of Dr. Hoover's testimony, together with the whole of the testimony of the Petitioner's expert, Mr. Gross*, reached the finding that such elements were new.

With regard to the supposed "admissions" of counsel, allegedly contained in the chart (Appendix D), no such "admissions" have been or could have been made. Petitioner's utilization of this chart was anticipated by Respondent and has been answered at pages 5 and 6 of Respondent's Brief. It is believed to be unnecessary to repeat such arguments herein. Suffice it to say that in order to bend the "fact" situation to fit the Questions Presented for Review, Petitioner is attempting to substitute its out-of-context reading of the chart for the ultimate *findings* of fact.

Petitioner argues as though the Questions Presented for Review challenge the Court's findings as to (1) the novelty of elements F and G and (2) the uniqueness of

combination of the elements. No such challenge was made. The issues are not before the Court.

It is apparent therefore, that Petitioner seeks reargument of a factual question under the guise of presenting a question of great moment to the Bench and Bar.

Respondents further reply by noting that while the original Petition advanced that certiorari should be granted as to the First Question on the basis of conflicting Circuit Court opinions, that this position is now untenable, apparently in view of the Respondent's citation of authority that there is complete harmony among the various circuits on this question.

In that portion of its Reply Brief directed to discussion of the "Second Question," the Petitioner, in the single paragraph of pages 4 and 5 thereof, makes the assertion that Respondents have sought to avoid the question propounded by the Petition. It is charged that this avoidance is accomplished by Respondents claiming the existence of new elements F and G.

The folly of this argument is apparent, as the Respondents have merely reiterated the Court finding in analyzing the actual question presented for review. In fact, the Second Question involves merely the determination of whether *old and new* elements can be arranged in a *new and unobvious manner* to form *an unique and unitary combination*. It is Petitioner who avoids this question by asserting that all elements are old when, in fact, the Court's opinion was based upon the conclusion that there were *old and new* elements involved in the combination.

With regard to that portion of the Reply Brief of Petitioner which is directed to the Third Question, we submit that there is again present a situation where the Petitioner presents a hypothetical fact situation different from the case at bar.

On this point the Trial Court did not ignore the prior art because of the non-commercialization thereof. Rather, the Trial Court did, as the authorities unanimously permit, consider the non-commercialization of the prior art in deciding the question of Invention. *Separately and distinctly it additionally rejected the art as being non-anticipatory.* Thus, the Patent Office, on two occasions, the District Court, and the Sixth Circuit Court of Appeals have found that the prior art of record is lacking for anticipation purposes, regardless of the commercialization or non-commercialization thereof.

CONCLUSION.

It is significant that Petitioner in the Reply Brief has made no answer to Respondent's contention that there is no "case or controversy" embodied in the petition.

The Reply Brief presents no adequate rebuttal to the argument advanced by the Respondent's Brief in Opposition to the Petition.

The Petition should be denied.

Respectfully submitted,

ALBERT R. TEARE,

Attorney for Respondent.

J. WILLIAM FREEMAN,

Of Counsel.

APPENDIX E.

ORDER DISMISSING COMPLAINT.

(Entered May 27, 1959.)

It is ordered that the complaint be dismissed; that the defendants be awarded judgment of validity and infringement on their counterclaim; and that an injunction and accounting be had as prayed, all at plaintiff's costs.